



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

May 10, 2006

CERTIFIED RETURN RECEIPT
7004 2510 0004 1824 3656

Mr. David Penney
2400 East 30 South
Box 312
Beaver, Utah 84713-0312

Subject: Termination of Cessation Orders, Penney's Gemstones, Sliver 1-2, MC-2005-04-05, S/001/035, Beaver County, Utah and Little Spot, MC-2005-04-04, S/027/024, Millard County Utah

Dear Mr. Penney:

Enclosed please find the termination notice for Cessation Orders MC-05-04-05 and MC-05-04-04. The abatement requirements as discussed in the January 10, 2006 informal conference have been satisfied. Now that the Cessation Orders have been terminated, the final assessment of the penalty will be completed by Mary Ann Wright (the informal conference officer). Even though the violations have now been terminated, you will be required to pay the final penalty.

As discussed in our numerous emails to you, there are still some outstanding issues that need to be completed in order for these sites to be in compliance. We have decided to allow you a certain time to resolve these issues before additional enforcement action will be taken. If you fail to complete the requirements you will be subject to other enforcement action, which will include further fines and penalties.

With regard to the Sliver 1-2 mine, you provided a copy of the deposit on the lease, however we are still expecting documentation that the lease has actually been entered into. You also need to amend your Notice of Intent filed with us to include the areas that have been disturbed and that you intend on disturbing by mining operations. You will also need to post a reclamation bond in the amount of \$12,000 and complete a reclamation contract.

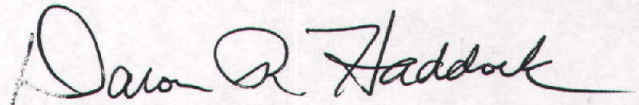
David Penney
Page 2 of 2
S/001/035 and S/027/024
March 10, 2006

While we do have the required bond for the Little Spot mine, we have yet to receive the Reclamation Contract, which is required by rule R647-3-111.4. This must be completed prior to you conducting any further mining at the site or removing any material from the site. Please contact Beth Ericksen at (801) 538-5318 for the appropriate paper work for completing the bond and reclamation contracts. You may also email her at bethericksen@utah.gov.

We are hoping to come to a speedy resolution of these outstanding issues. Please understand that if these requirements have not been completed by July 10, 2006 we may issue Notices of Violation or Cessation Orders on these mining operations. You should also understand that no mining is to occur at either of these sites until these issues are resolved.

If you have any questions regarding this action please contact me at 801-538-5325.

Sincerely,

A handwritten signature in black ink, appearing to read "Daron R. Haddock". The signature is fluid and cursive, with a long horizontal stroke at the end.

Daron Haddock
Permit Supervisor
Minerals Regulatory Program

DRH:jb
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VACATION / TERMINATION of
Notice of Violation / Cessation Order

To the following Permittee or Operator:

Name: David Penney

Mailing Address: 2400 East 30 South, Box 312, Beaver, Utah 84713-0312

Mine Name: Little Spot Permit Number: S/027/024

Utah Mined Land Reclamation Act, Section 40-8-1 et. seq., *Utah Code Annotated (1953)*:

Notice of Violation No. _____ dated _____, 20 ____

Cessation Order No: MC-2005-04-04 dated September 1, 2006

Part 1 of 1 is ☐ vacated ☒ terminated because: The operator has posted a \$8,800 dollar bond with the Division, marked his property disturbance boundary, and provided an accurate legal description and map for his plan per the requirements spelled out in our informal conference held on January 10, 2006. The operator must complete a reclamation contract prior to conducting any further mining operations.

Date of service/ mailing: _____ Time of service/ mailing _____ ☒ a.m. ☒ p.m.

Permittee or Operator Representative

Title

Signature

Tom Munson

Division of Oil, Gas & Mining Representative

Reclamation Specialist III

Title

Signature

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VACATION / TERMINATION of Notice of Violation / Cessation Order

To the following Permittee or Operator:

Name: David Penney

Mailing Address: 2400 East 30 South, Box 312, Beaver, Utah 84713-0312

Mine Name: Sliver 1-2 Permit Number: S/001/035

Utah Mined Land Reclamation Act, Section 40-8-1 et. seq., *Utah Code Annotated (1953)*:

Notice of Violation No. _____ dated _____, 20 ____

Cessation Order No: MC-2005-04-04(1) dated June 30, 2005

Part 1 of 1 is ☐ vacated ☒ terminated because: The operator has presented evidence to the Division that he has obtained a lease with Mr. Truman as required by the January 10, 2006 Informal conference. Mining operations can not be conducted at the site until the following issues are resolved. The operator must: 1) Provide final documentation that the lease has been entered into. 2) Amend the notice of intent to include the areas that have already been disturbed and areas intended to be disturbed by mining operations. 3) Post a reclamation bond for the current disturbance in the amount of \$12,000 dollars and complete a reclamation contract.

Date of service/ mailing: _____ Time of service/ mailing _____ ☒ a.m. ☒ p.m.

David Penney

Permittee or Operator Representative

Title

Signature

Tom Munson

Division of Oil, Gas & Mining Representative

Reclamation Specialist III

Title

Signature

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